

International MICE Outlook from North America 2008

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The fourth annual International MICE Outlook poll from North America was conducted by IMEX during June 2008 and attracted responses from 110 leading buyers, nearly all from the United States. Key job titles included: managing partner; director of sales and marketing; global accounts director; division manager-international; senior VP – purchasing; president and ceo; corporate communications manager; senior event planner; convention services director; and meetings planner. Approximately a half of respondents were agencies/consultancies/professional organisers, with around 1 in 3 corporate buyers (e.g. pharmaceuticals; financial services and banking; marketing services); with the balance in the association sector (e.g. education; advertising; medical).

The proportion of specialists organising at least 10 of their events annually using overseas destinations was 24%. This compared to 2007 (46%) and 2006 (27%). There has also been a slight drop in the proportion of international events that involve from 50 to 250 delegates, the percentage in 2008 of 71% contrasting with the 2007 figure of 81%. The range of categories of events organised includes: trade missions; annual meetings; congresses; incentives; academic conferences; consensus panels; political missions; trade shows; symposia; group corporate meetings; and special hospitality events.

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Despite the heavily publicised economic problems affecting the US, the strength of the momentum towards globalisation has ensured a resilience in the international MICE sector. Close to two-thirds of survey respondents argue that demand for events to be staged outside North America continues to grow, albeit with caveats to be taken into account. Business expansion models, the worldwide diffusion of association membership, and the search for innovative and untried destinations are among the driving factors, but rising travel costs, currency fluctuations and security concerns remain issues that reduce this momentum.

Characteristic verbatim comments reflecting these viewpoints range from: *'as our global clients take over more businesses so the need to stage events internationally also grows'* and *'our association now has a worldwide membership and this influences where we confer'*; to *'issues of safety and value put off some clients'*, and *'costs in euro-countries are putting us off'*. In the main, however, the perception is

that short-term financial issues will only serve to delay slightly the inevitability of the further globalisation of the meetings and incentive travel sectors.

Table 1 offers a more specific hierarchy of positive explanations, but the emphasis on 'global outlook' now dominates the picture.

Table 1. Reasons for choosing international destinations (ranked order of influences):

	2008	2007	2006	2005
* To encourage a more global outlook within our organisation	1 st	4 th	4 th	1 st
* We have strong international links and a global outlook	2 nd	1 st	1 st	3 rd
* The better value of overseas destinations	3 rd	3 rd	3 rd	5 th
* The exotic appeal of international destinations	4 th	2 nd	2 nd	2 nd
* We like to be different and adventurous	5 th	6 th	5 th	4 th
* We already have visited the majority of North American destinations	6 th	5 th	6 th	6 th

sources of information

Respondents were again asked to explain how they collect the information that most influences their decisions when planning international events, a ranking which follows (and shows a broad consistency with previous years).

Table 2. How destinations are chosen (ranked order of influences):

	2008	2007	2006	2005
* Own experience	1 st	1 st	2 nd	1 st
* Information gathered from an exhibition	2 nd	2 nd	3 rd =	3 rd
* Member recommendation	3 rd	4 th	1 st	2 nd
* Suggestions from agencies/professional advisers	4 th	3 rd	3 rd	4 th
* Internet research	5 th	5 th	6 th	5 th
* Brochures and advertisements	6 th	6 th	5 th	6 th

global regions that appeal

Table 3 again reflects the current perceptions of buyers as they rank the appeal of international regions for their events, and again suggests an underlying consistency in such views over time.

Table 3. Which regions appeal for international events?

	2008	2007	2006	2005
Europe	1 st	1 st	1 st	1 st
Asia/Far East	2 nd	3 rd	4 th	4 th
Caribbean	3 rd	2 nd	2 nd	2 nd
Australia/New Zealand	4 th	4 th	5 th	2 nd
Latin America	5 th	5 th	6 th	5 th
Central America	6 th	6 th	3 rd	6 th
Africa	7 th	7 th	7 th	7 th
Middle East	8 th	8 th	8 th	8 th

In more detail buyers also voted for their preferred destinations (cities and countries) with the top 25 most sought-after listed as follows (in alphabetical order): Amsterdam; Australia; Azerbaijan; Berlin; Brussels; Buenos Aires; Canada; Costa Rica; France; Frankfurt; Greece; Hong Kong; India; Istanbul; Japan; Kiev; London; Madrid; Mexico; Monte Carlo; Portugal; Seoul; Singapore; South Africa; Tenerife.

challenging problems

Ten verbatim comments capture the spread and depth of feelings amongst buyers when asked what challenges/problems most affect them when organising international events:

- * *'my own lack of experience in organising global programmes'*
- * *'contracting suppliers and their slow response times'*
- * *'issues of language and contractual variables'*
- * *'currency fluctuations'*
- * *'lack of familiarity with overseas destinations'*
- * *'trying to ensure delegates all arrive by air on the appropriate day'*
- * *'interacting with staff given global time differences'*
- * *'contrasting cultural approaches and attitudes to business'*

- * *'finding a good DMC'*
- * *'worldwide differences in attitudes to punctuality and reliability'*

pleasant experiences

International MICE planners were also happy to identify what makes their work so pleasurable, as the 10 selected comments illustrate:

- * *'joy in new discoveries'*
- * *'ability to meet the needs of our global membership'*
- * *'working towards international peace and understanding'*
- * *'meeting new colleagues and renewing old acquaintances'*
- * *'the excitement and appreciation of our participants'*
- * *'cultural experiences and programme diversity'*
- * *'taking members to new places'*
- * *'learning from other countries'*
- * *'being able to help and work with people in emerging countries'*
- * *'serendipity'*

tips

Research respondents were also invited to offer one lesson, or tip, that they felt would help a planner new to the organisation of international events. The following 10 examples reflect the overall spread of suggestions:

- * *'always seek out and use reliable destination partners to make the planning easier'*
- * *'demand guaranteed pricing in dollars'*
- * *'think and act in a global manner'*
- * *'be prepared for unusual business practices and procedures – and delays!'*
- * *'always leave more than enough time to get delegates to and from the airport'*
- * *'read the contract line by line- you are no longer in the USA'*
- * *'learn the culture and their business methods'*
- * *'read about the city and country and talk to others who have already held programmes in that destination'*
- * *'always remember that you are only a visitor in another country'*
- * *'be open-minded at all times!'*

ROI

When questioned about expected Return on Investment (ROI) from their international events the proportion admitting to rigorous analysis of this issue remains surprisingly low (37% in 2008; 32% in 2007). Verbatim comments expressing the spread of opinions on the topic include: *'member feedback surveys; 'attendance figures – and advance signing-up for the following year'; 'gross margins on the total programme revenue'; 'the contribution of suppliers who participate'; 'benchmarked figures against (a) new customers, and (b) new products sold'; and 'intangible judgements about delegate satisfaction rather than strict mathematical assessment'.*

global issues

Asked to comment on the potential relevance of key global trends to their work the buyers offered the following (summarised) assessment of these issues:

- * **Environment** – relevant, but not dominantly so
- * **Corporate Social Responsibility** – increasingly relevant and likely to become more so
- * **Security** - very significant, and often the biggest issue of all
- * **Multi-culturalism** – moderately relevant
- * **Advanced Technology** – more important to planners than attendees

Suggestions for the wider industry

Finally, buyers were asked for suggestions that could be offered to political and industry leaders in the worldwide MICE sector. Such proposals include (verbatim comments):

Airlines

- *'we need strong group sales departments able to negotiate and select premium seating space'; 'beware of the damage to the appeal of a destination caused by high tariffs and/or fuel surcharges'; 'do something about the remarkable variations in levels of service between airlines'; 'simplify fares and make baggage free'; 'there appears to be little interest amongst airlines in winning our business'.*

Convention Bureaux

- *'insufficiently pro-active'; 'we need more objective assessments of restaurants and hotels'; 'be a true partner to buyers regardless of the biased demands of your membership'; 'beware of displaying excellent initial interest but without a follow-through for legitimate prospective clients'.*

Global Hotel Brands

- *'central sales offices are usually very helpful, but the response from individual hotels is often slow and incomplete'; 'introduce more programmes that guarantee pricing in US dollars'; 'do more to get to know your international products and services'; 'introduce restaurant pricing that is less a reflection of global tariffs and more accurately compares with local meal charges'; 'achieve more consistency in brand values around the world'*

Politicians

- *'do more to demonstrate respect for human rights and the environment'; 'recognise the MICE sector as being vital to the growth and vitality of your economy'; 'focus on security – will I feel safe bringing a guest to your country?'; 'reduce taxes affecting the MICE sector'; 'be mindful of the power of our industry – the largest in the world'.*

As a postscript to this analysis it should be reported that a recurrent theme – and one likely to grow in the 12 months ahead – is that of concern about air travel, both in respect of flight costs and potential cuts in capacity and restrictions on availability. The MICE sector would do well to support and encourage global airlines at this difficult time.

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IMEX would like to thank the buyers who contributed so helpfully and wholeheartedly to this poll.